

MEMORANDUM

February 5, 2016

TO: Planning, Housing, and Economic Development Committee
Government Operations and Fiscal Policy Committee

FROM: Jacob Sesker, Senior Legislative Analyst *JSS*

SUBJECT: FY15-20 CIP Amendment: Wheaton Redevelopment (PDF #150401)

Attendees will include:

- From Transportation: Al Roshdieh, Director; Jose Thommana
- From M-NCPPC: Mike Riley, Parks Director; Carol Rubin; Mitra Pedoeem; Judie Lai
- From OMB: Mary Beck, Capital Budget Manager; Pofen Salem

In addition, the following individuals will be available to respond to questions:

- From Recreation: Gabe Albornoz, Director
- From CUPF: Blaise DeFazio
- From HHS Licensing & Regulation: Clark Beil, Director

The County Executive memorandum regarding efficient use of County facilities is attached at © 1-2. The CE's memorandum transmitting the CIP amendment is attached at © 3-4. The criteria for CIP amendments are attached at © 5. The resolution is attached at © 6-7. The mark-up proposed project description form (PDF) is attached at © 8-9. The proposed FY17-22 PDF is attached at © 10-11. The PDF approved by the Council in 2015 is attached at © 12-13.

PURPOSE

The Planning, Housing, and Economic Development Committee and the Government Operations and Fiscal Policy Committee will discuss a proposed amendment to the Wheaton Redevelopment Program (PDF #150401) in the FY15-20 CIP. The purpose of this worksession is for the committees to recommend a PDF to the full Council for action. A Council worksession is tentatively scheduled for March 1, 2016. This amendment to the FY15-20 CIP is necessary in order for work to begin on a broader project scope.

PROJECT DESCRIPTION

As described in the PDF: *“The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment in Wheaton through targeted, complementary public investment. The complementary public investment that Wheaton most needs is investment in creating a centrally located public space and a daytime population that together will contribute to an 18-hour economy in downtown Wheaton. It is expected that this public investment will leverage private investment, some of which is already occurring in Wheaton.”*

The program will increase the daytime population of downtown Wheaton through the construction of an office building, to be owned by the Maryland-National Capital Parks and Planning Commission (M-NCPPC), which will house several local government users. M-NCPPC will locate the headquarters of both the Planning Department and the Department of Parks in the building. In addition, several MCG departments or offices will be located in the building: Permitting Services; Environmental Protection; Mid-County Regional Services Center; and Wheaton Urban District. The office building portion of the project includes an underground parking garage, ground floor retail space, and a childcare facility. **The County Executive proposes adding the following MCG users to the office building: Recreation; Community Use of Public Facilities; and Environmental Health Regulatory Services (a division of HHS).**

In addition to the office building, the project includes a town square. The private developer will construct a residential building using private funds. The residential portion of the project will be constructed just north of the multi-user office building.

SUMMARY OF PROPOSED CHANGES

The proposed amendment is part of a set of recommendations to optimize the use of County resources/reduce real estate costs that is outlined in the CE’s memo on © 1-2. The proposed amendment changes the scope and funding level to reflect the following: (1) two additional floors to the building to accommodate co-location of certain other users (Recreation, Community Use of Public Facilities, and Environmental Health Regulatory Services); (2) work to develop a Program of Requirements for the additional floors; (3) funding for environmental remediation due to contaminated soils; and (4) the addition of an underground structural slab and tie-backs to account for a high water table under the proposed building.

The proposed amendments would, if approved, increase the total cost of the project by \$21.3 million. The project schedule would also be affected. The combined effect of these proposed changes and the inclusion in Fall 2015 of the geothermal heating and cooling is a total delay of 5-6 months.

USES OF FUNDS

The proposed changes to the project would increase the total cost by \$21.3 million. Cost increases from FY17-FY19 would be +\$16.2 million in FY17, +\$9.0 million in FY18, and +\$8.0 million in FY19 (total increase FY17-19 is +\$33.2 million). These increases are partially offset by actual expenditures below programmed expenditures through FY16 (total of -\$11.9 million).

Changes - Expenditure Schedule									
Cost Element	Total	Thru FY16	FY17	FY18	FY19	FY20	FY21	FY22	Beyond 6 Years
Planning, Design and Supervision	1,332	1,072	-812	443	629	0	0	0	0
Land	0	0	0	0	0	0	0	0	0
Site Improvement and Utilities	0	-5,794	2,375	3,419	0	0	0	0	0
Construction	15,667	-7,206	11,113	4,862	6,898	0	0	0	0
Other	4,285	0	3,528	313	444	0	0	0	0
Total	21,284	-11,928	16,204	9,037	7,971	0	0	0	0

The table above reflects the following changes:

- The Program of Requirements (POR) for the two additional floors would have an FY16 cost of \$1.1 million in Planning, Design and Supervision (PD&S).
- The cost of constructing the two additional floors is \$12.5 million (mostly construction), with \$7.5 million of that cost in FY17, and \$2.5 million each in FY18 and FY19.
- The cost of the unexpected environmental remediation is \$4.7 million in FY17.
- The cost of the slab and tiebacks to account for a high water table under the building is \$3.0 million in FY17 (mostly construction, some PD&S).

With the proposed changes, the total cost of the project would increase to \$168 million. According to DOT, the additional two floors will cost somewhat more on a per square foot basis than the floors below (\$322 versus \$311), due to changes that must be made to the foundation and columns to support the additional weight.

Expenditure Schedule											
Cost Element	Total	Thru FY15	Est FY16	Total 6 Years	FY17	FY18	FY19	FY20	FY21	FY22	Beyond 6 Years
Planning, Design and Supervision	14,689	6,053	5,493	3,143	628	1,886	629	0	0	0	0
Land	1,010	1,010	0	0	0	0	0	0	0	0	0
Site Improvement and Utilities	10,559	1,346	0	9,213	5,794	3,419	0	0	0	0	0
Construction	129,663	690	0	128,973	71,235	40,928	16,810	0	0	0	0
Other	12,063	221	565	11,277	3,828	5,813	1,636	0	0	0	0
Total	167,984	9,320	6,058	152,606	81,485	52,046	19,075	0	0	0	0

SOURCES OF FUNDS

The proposed changes would be funded mostly with land sale proceeds (+\$15.0 million) as well as additional long-term financing (+\$5.8 million).¹ In addition, the PDF indicates a modest overall reduction in GO Bond funding (-\$1.0 million) and an increase in PAYGO (+\$1.5 million). The GO Bond funding schedule includes some years in which bond funding is significantly reduced (-\$7.0 million through FY16; -\$15.0 million in FY20) and other years in which it increases significantly (+\$3.7 million in FY17; +\$5.3 million in FY18; +\$12.1 million in FY19).

¹ Land sale proceeds had not been programmed previously because the General Development Agreement had not been executed.

Changes - Funding Schedule									
	Total	Thru FY16	FY17	FY18	FY19	FY20	FY21	FY22	Beyond 6 Years
Contribution	0	0	0	0	0	0	0	0	0
Current Revenue	0	0	0	0	0	0	0	0	0
Federal Aid	0	0	0	0	0	0	0	0	0
G.O. Bond	-970	-7,045	3,674	5,307	12,094	-15,000	0	0	0
PAYGO	1,467	1,467	0	0	0	0	0	0	0
Long-term Financing	5,788	-6,350	12,530	3,730	-4,123	0	0	0	0
State Aid	0	0	0	0	0	0	0	0	0
Land Sale Proceeds	15,000	0	0	0	0	15,000	0	0	0
Total	21,285	-11,928	16,204	9,037	7,971	0	0	0	0

Sources of funding for the project as proposed are below.

Funding Schedule											
	Total	Thru FY15	FY16	Total 6 Years	FY17	FY18	FY19	FY20	FY21	FY22	Beyond 6 Years
Contribution	862	0	862	0	0	0	0	0	0	0	0
Current Revenue	1,300	650	650	0	0	0	0	0	0	0	0
Federal Aid	418	417	1	0	0	0	0	0	0	0	0
G.O. Bond	71,906	0	2,871	69,035	38,099	27,987	17,949	-15,000	0	0	0
PAYGO	7,503	7,503	0	0	0	0	0	0	0	0	0
Long-term Financing	70,145	0	1,574	68,571	43,386	24,059	1,126	0	0	0	0
State Aid	850	750	100	0	0	0	0	0	0	0	0
Land Sale Proceeds	15,000	0	0	15,000	0	0	0	15,000	0	0	0
Total	167,984	9,320	6,058	152,606	81,485	52,046	19,075	0	0	0	0

The project continues to rely heavily on sources other than GO Bonds (such as long-term financing). Last year, the Department of Finance selected a financial advisor (FA) for this project. The FA will develop a long-term financing plan when the construction schedule is final (perhaps in late FY16).

The long-term financing (e.g., revenue bonds, appropriation backed debt) could be supported by lease savings or by revenues to funds (e.g., Permitting Services, Water Quality Protection Fund) or by retail lease revenues. Retail lease revenues should be used as part of the long-term financing, although retail lease revenue is less certain than other potential sources of financing. Fund balances (cash) might be used to reduce the amount of financing necessary (the Permitting Fund maintains a healthy balance).

The savings from leased space could be redirected to debt service payments. The estimated lease savings for DEP and DPS alone would be approximately \$3.0 million. Annual debt service payment of \$3.0 million would cover a significant portion of the non-GO Bond financing for this project. Currently, annual lease payments associated with CUPF and Environmental Health Regulatory Services are approximately \$738,000.

In addition, there may be non-lease operating expense savings associated with the current tax-supported cost of operating aging and inefficient facilities (such as the Recreation Department and MRO). In response to a question regarding Recreation, the Executive Branch provided the following response: *Although there is no lease saving associated with Recreation, the existing building has faced*

many challenges over the past few years which the County has nearly quadrupled expenditures for unexpected facility maintenance and repair between FY12 and FY15. Additionally, Recreation has had to implement continuity of operations planning (COOP) activities seven times over the past three years due to facility issues.

OTHER ISSUES

M-NCPPC will own a building that will be significantly larger than what is necessary to accommodate the agency's needs. This proposal to accommodate the County's real estate needs in M-NCPPC's building raises other questions that may need to be addressed in the context of the lease and the General Development Agreement. For example, if the County chooses not to renew its lease, will M-NCPPC be responsible for the operating costs of any space that the County vacates? The parties will need to discuss this and similar issues after the CIP amendment is approved and before construction begins.

Users will likely benefit from the co-location of so many related governmental entities. For the users to enjoy the maximum benefit, the building design must reflect an understanding of the potential for shared intake and other public-facing functions (as well as conference rooms, print shops, and other internal-facing functions). Once the PORs are complete, the Council should receive an update on the PORs with a focus on the opportunities for shared spaces across departments and agencies.

RECOMMENDATIONS

- 1. Recommend that the Council approve the PDF.**
- 2. Request a follow-up briefing in June/July to discuss: (a) Long-term financing; (b) PORs for new users and shared spaces; and (c) Development agreement and lease issues.**

Attachments: © 1 CE Memo – Efficient use of County Facilities
© 3 CE Memo – Transmittal of CIP Amendment
© 5 Criteria for CIP Amendments
© 6 Resolution – Amendment to FY15-20 CIP
© 8 Mark-up PDF FY15-20 CIP
©10 PDF FY17-22 CIP
©12 PDF Approved Fall 2015

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ROCKVILLE, MARYLAND 20850

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Isiah Leggett
County Executive

MEMORANDUM

January 15, 2016

TO: Nancy Floreen, President, County Council

FROM: Isiah Leggett, County Executive

SUBJECT: Maximizing efficient use of County facilities

I am writing to make the Council aware of my recommendations to address a number of office space needs for various County departments. These proposals are reflected in my recommended FY17-22 CIP, but given the complexity of the issues, I believe it merits a separate communication. The Grey Courthouse, though vacant, requires repairs. Additionally, the Department of Permitting Services and the Department of Environmental Protection will be moving to the new Wheaton Redevelopment project. At the same time, my staff has completed a review of leasing costs with an emphasis on cost saving measures that can benefit the County. I have taken a comprehensive and coordinated approach to developing a solution optimizing the use of our existing County resources.

After a detailed analysis, I am recommending addressing these needs as follows:

1. Renovate the Grey Courthouse for other County uses (\$23.1 million): The renovation debt service costs will be funded through lease savings realized by vacating expensive and underutilized leased space. Potentially affected departments include Health and Human Services, the Office of Medical Services, Procurement, Finance, and County Executive functions that currently reside in leased space.
2. Maximize the value of the Wheaton Redevelopment Project: I recommend adding two floors at a cost of \$13.6 million to accommodate additional County departments which have programmatic synergies with the functions currently planned for that building. The Department of Recreation, Licensing and Regulation, and Community Use of Public Facilities will occupy this additional space.
3. Explore the redevelopment of Bushey Drive and incorporate affordable senior housing: Shifting the Recreation Department from Bushey Drive to Wheaton also provides an opportunity to achieve our goal of developing additional affordable, senior housing.



1

Nancy Floreen, President
January 15, 2016
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The above recommendations provide the County with a variety of benefits. These include affordably maintaining and using the vacant historic Grey Courthouse while eliminating expensive leased facilities from our inventory. We will also avoid expensive renovations and repairs at the Recreation Department's headquarters at Bushey Drive, a facility that has experienced numerous facility system failures in the last few years. This plan will also co-locate departments and agencies with inherent programmatic synergies.

The conversion of the Grey Courthouse's existing space will support the government functions currently in leased space without disrupting the essential services they provide. Furthermore, moving these tenants from leased space enables a consolidated Rockville Core while expanding essential government services with pre-existing synergies in Wheaton.

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

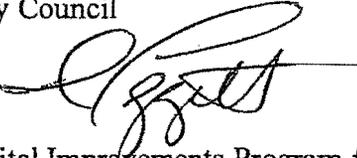
RECEIVED
MONTGOMERY COUNTY
COUNCIL

Isiah Leggett
County Executive

MEMORANDUM

January 15, 2016

TO: Nancy Floreen, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Amendment to the FY15-20 Capital Improvements Program #17-A16-CMCG-3
Montgomery County Government
Department of Transportation
Wheaton Redevelopment Program (No. 150401)

I am recommending an amendment to the FY15-20 Capital Improvements Program for Wheaton Redevelopment Program (No. 150401). This amendment will permit work on the project to progress without delay and will authorize necessary infrastructure and site improvements. As detailed below, the proposed changes to the project provide cost, programmatic and economic development benefits.

This amendment to the scope and funding level is needed because the project has changed to include the following:

- a. Two additional floors to generate lease and maintenance savings, maximize land use, and co-locate County agencies with program synergies. The co-location of additional County agencies and programs to the planned office building include Department of Recreation, the Community Use of Public Facilities, and the Environmental Health Regulatory Services in the Department of Health and Human Services. The co-location will reduce expensive lease and maintenance payments for County agencies and strengthen economic growth in the Wheaton Central Business District and surrounding communities.
- b. Work to develop a Program of Requirements for the additional floors must begin as soon as possible to avoid costly delays.
- c. Funding for environmental remediation due to the existence of contaminated soils.
- d. The addition of an underground structural slab and tie-backs to account for a high water table under the proposed building.

Nancy Floreen, President

January 15, 2016

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The recommended amendment is consistent with the criteria for amending the CIP because these changes offer the opportunity to achieve significant savings, which will be lost if not taken at this time, and to support significant economic development initiatives which in turn will strengthen the fiscal capacity of the County Government. No additional appropriation is needed until FY17.

I recommend that the County Council approve this amendment to the FY15-20 Capital Improvements Program.

I appreciate your prompt consideration of this action.

IL:ps

Attachment: Amendment to the FY15-20 Capital Improvements Program #17-A16-CMCG-3

cc: Jennifer A. Hughes, Director, Office of Management and Budget
Al R. Roshdieh, Acting Director, Department of Transportation
Jose Thommana, Chief, Division of Parking Management, Department of Transportation

CRITERIA FOR CIP AMENDMENTS

Article 3, Sections 302, 307, and 308, of the County Charter authorize the County Government to execute Capital Improvements Program supplemental or emergency appropriations, supplemental or emergency appropriations and amendments, or project amendments subject to OMB's criteria for amendment as set forth below.

New projects, or changes to existing projects, which require appropriation in FY14 and which meet one or more of the following criteria are considered for amendment by the County Executive:

- Project leverages significant non-County sources of funds (e.g., Bridges [Federal aid], State aid for schools).
- Project is needed to comply with effects of a new law (e.g., Tacoma Park Unification).
- Project is needed to address an urgent health or safety concern.
- Project is needed to address an urgent school capacity need in the first two years of the CIP (e.g., adjustment to assure current project meets scheduled September opening or a new project for newly identified need).
- Project offers the opportunity to achieve significant savings or cost avoidance or to generate significant additional revenue (e.g., the bid has come in lower than budget, allowing funds to be redirected; Operating Budget savings are documented; fees collected will increase).
- Project is needed to keep transportation or school projects on approved Annual Growth Policy (AGP) schedule.
- Project supports significant economic development initiatives, which in turn will strengthen the fiscal capacity of the County government.
- Project offers a significant opportunity, which will be lost if not taken at this time.
- Project scope adjustment is needed on inter-jurisdictional projects due to changed conditions.
- Project is delayed for policy reasons.
- Project has validated extraordinary inflation (as seen in bids).
- Project must be amended for technical reasons (e.g., to implement policy decisions).
- Project expenditures can be/must be delayed to provide fiscal capacity, given changes in conditions since the Approved CIP was adopted.
- Project or subproject is proposed to increase: relatively by at least 10 percent and absolutely by at least \$1,000,000 from the last adopted CIP; or absolutely by at least \$2,000,000 from the last adopted CIP.

Resolution No.: _____

Introduced: _____

Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY15-20 Capital Improvements Program #17-A16-CMCG-3
Montgomery County Government
Department of Transportation
Wheaton Redevelopment Program (No. 150401)

Background

1. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
2. The County Executive recommends this amendment to the FY15-20 Capital Improvements Program as shown on the attached project description form.
3. This amendment will permit work on the project to progress without delay and will authorize necessary infrastructure and site improvements. As detailed below, the proposed changes to the project provide cost, programmatic and economic development benefits. This amendment to the scope and funding level is needed because the project has changed to include the following:
 - a. Two additional floors to generate lease and maintenance savings, maximize land use, and co-locate County agencies with program synergies. The co-location of additional County agencies and programs to the planned office building include the Department of Recreation, the Community Use of Public Facilities, and the Environmental Health Regulatory Services in the Department of Health and Human Services. The co-location will reduce expensive lease and maintenance payments for County agencies and strengthen economic growth in the Wheaton Central Business District and surrounding communities.
 - b. Work to develop a Program of Requirements for the additional floors must begin as soon as possible to avoid costly delays.
 - c. Funding for environmental remediation due to the existence of contaminated soils.

- d. The addition of an underground structural slab and tie-backs to account for a high water table under the proposed building.
- 4. The recommended amendment is consistent with the criteria for amending the CIP because these changes offer the opportunity to achieve significant savings that will be lost if not taken at this time and to support significant economic development initiatives, which in turn will strengthen the fiscal capacity of the County Government. No additional appropriation is needed until FY17.
- 5. The County Executive recommends an amendment to Wheaton Redevelopment Program (No. 150401).

Action

The County Council for Montgomery County, Maryland, approves the following action:

The FY15-20 Capital Improvements Program of the Montgomery County Government is amended as described above and as reflected on the attached project description form.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Wheaton Redevelopment Program (P150401)

Category	General Government	Date Last Modified	11/17/14
Sub Category	Economic Development	Required Adequate Public Facility	No
Administering Agency	Transportation (AAGE30)	Relocation Impact	None
Planning Area	Kensington-Wheaton	Status	Planning Stage

	Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	13,857	4,507	1,321	8,861	7,529	225,200	5,443	628	1,886	0	0
Land	1,010	1,010	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	10,659	1,346	0	9,213	0	3,750	0	2,044	3,418	0	0
Construction	112,996	686	0	113,210	4	0	7,210	71,235	36,086	9,812	16,810
Other	2,178	179	0	1,321	42	415	565	0	3,828	300	0
Total	146,700	7,728	1,321	137,519	271	6,225	11,900	65,281	43,009	11,104	0

	Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
FUNDING SCHEDULE (\$000s)											
Contributions	862	0	0	862	0	0	862	0	0	0	0
Current Revenue: General	1,300	650	0	650	0	0	650	0	0	0	0
Federal Aid	418	417	0	416	0	0	1	38,079	27,987	19,449	0
G.O. Bonds	72,876	0	0	72,876	0	0	3,019	5,820	34,425	22,860	5,865
Long-Term Financing	64,358	0	0	64,358	0	2,706	5,745	218	30,856	20,329	5,249
PAYGO	6,036	6,036	0	0	0	0	0	43,386	24,058	1,126	0
State Aid	850	625	50	175	75	115	100	81,485	52,046	19,075	0
Total	146,700	7,728	50	137,519	75	6,225	11,900	65,281	43,009	11,104	0

Land Sale 15,000 APPROPRIATION AND EXPENDITURE DATA (0606) 15,000

Appropriation Request	FY 1617	126,835	8,866
Appropriation Request Est.	FY 1818	500	0
Supplemental Appropriation Request		0	
Transfer		0	
Cumulative Appropriation		136,890	140,043
Expenditure / Encumbrances		7,835	132,775
Unencumbered Balance		131,728	7,268

Date First Appropriation	FY 04
First Cost Estimate	
Current Scope	FY 1617 143,847
Last FY's Cost Estimate	143,847

*Department of Recreation, the Committee
Use of Public Facilities, and Environment
Health Regulatory Services in the Department
of Health and Human Services*

Description 303,000

This project provides for the planning, studies, design, and construction of an office building, public parking garage, and a town square on the site of Parking Lot 13 and the Mid-County Regional Services Center (RSC) in Wheaton. The project components include 1) an approximately 266,000 s.f. office building to be owned by the Maryland-National Capital Park and Planning Commission (M-NCPPC); 2) an approximately 400 space underground public parking garage to be delivered to the Wheaton Parking Lot District (PLD); and 3) a town square located on Lot 13 and the current RSC site. The new headquarters for M-NCPPC will occupy approximately 132,000 s.f. of the building, including space for a child care facility. The remainder of the building space will be used by the County for office and retail under a long-term lease agreement. The County intends to use its space for nearly 15,000 s.f. of street front retail space and move offices of the RSC, Wheaton Urban District, Department of Environmental Protection, and Department of Permitting Services to this building. The building will have geothermal heating and cooling system, which is likely to result in LEED Platinum Certification for the office building. After the building is delivered to M-NCPPC, the Commission will transfer the ownership of the parcels at 8787 Georgia Ave. in Silver Spring and 11200 Amherst Ave. in Wheaton to the County. The County will then transfer 8787 Georgia Ave. to the developer who will develop a privately financed mixed-use project on the site. The delivery will include air rights above the land over the parking garage for the space comprising the office building and over that portion of the land located between the building and Reedy Drive. The town square will be maintained and programmed by the RSC for the community benefit. The obligations and relationship between County Government and M-NCPPC for the project are reflected in a Memorandum of Understanding dated May 31, 2013 and will be explicitly set forth in the Binding Agreements between the parties. This PDF also includes \$650,000 for consulting services to provide 1) a comprehensive parking study to identify potential redevelopment disruptions to the public parking supply and any related impacts of existing businesses and to identify potential mitigation options; 2) planning studies to review potential models and approaches to creating local jobs and job training opportunities prior to and during redevelopment, including relevant case examples in Montgomery County as well as innovative models from other local and national jurisdictions; and 3) a business assessment study to determine the number of businesses and the magnitude of the impact. The business assessment study is needed to support Council Bill 6-12 for the establishment of service provision and technical assistance to those small businesses adversely impacted by a County redevelopment project. As part of the agreement, this project also includes a privately owned mixed use residential building with independent financing and significant affordable housing components.

Location

Montgomery County Public Parking Lot 13, between Grandview Avenue and Triangle Lane; the RSC site on Reedy Drive, Wheaton; 8787 Georgia Avenue, Silver Spring; and Veterans Urban Park at 11200 Amherst Avenue, Wheaton, Maryland.

the fall of 2018.

Wheaton Redevelopment Program (P150401)

~~Estimated~~ Schedule

started

The project design is expected to begin in July 2014 and construction is expected to begin in the summer of 2016 with delivery of the office building in mid-2018. Demolition of the RSC site will begin as soon as the site can be vacated. The town square is planned to be completed in the fall of 2018. *Spring of 2019.*

for departments with program synergies, and enhance the presence of the County Government in Wheaton

Cost Change

The cost increase is based on estimated costs of design and construction of a geothermal heating and cooling system for the office building *and unexpected environmental remediation needs on the construction site. Two additional floors will also be*

Justification

Added to the planned building to reduce expensive lease payments for County Agencies, facilitate co-location

The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment through targeted, complementary public investment. The complementary public investment that Wheaton most needs is investment in creating a centrally located public space and a daytime population that together will contribute to an 18-hour economy in downtown Wheaton. It is expected that this public investment will leverage private investment, some of which is already occurring in Wheaton. Plans & Studies: Wheaton CBD and Vicinity Sector Plan (2011), State of Maryland designation as a Smart Growth and TOD site (2010), Urban Land Institute Technical Assistance Panel (2009). The International Downtown Association Advisory report (2008); Wheaton's Public Safety Audit (2004); The Wheaton Redevelopment Advisory Committee visioning process for the Wheaton core; National Mainstreet Center Planning Study (2000); WRAC activities since established in 2000.

Fiscal Note

Minor project funding includes: 1) \$418,000 FY09 federal grant, funded through the SAFETEA-LU transportation act; 2) A developer contribution of \$861,940 from M-NCPPC Public Use Space and Amenity Fund. November 5, 2010 Planning Board Resolution, 10-149, Site Plan 820110010; and 3) \$350,000 FY14 and FY15 State aid to support façade improvements and a pilot solar-powered trash compactor program. Non-tax supported long-term financing will be used to finance the costs for DEP and DPS facility space. Total project cost includes \$8,930,000 for Streetscape and Façade work funded through FY12. The residential development on Lot 13 will not be funded in this PDF.

and PAYGO

and CUPF

Disclosures

A pedestrian impact analysis has been completed for this project.

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Coordination

WMATA, Office of the County Attorney, M-NCPPC, Westfield Mall, Community Associations and Residents, Private developers, Department of General Services, Department of Transportation, Department of Environmental Protection, Department of Permitting Services, Department of Housing and Community Affairs, Mid-County Regional Service Center, and State of Maryland. Special Projects Legislation [Bill No. 33-14] was adopted by Council June 17, 2014.

Wheaton Redevelopment Program (P150401)

Category General Government
 Sub Category Economic Development
 Administering Agency Transportation (AAGE30)
 Planning Area Kensington-Wheaton

Date Last Modified 11/17/14
 Required Adequate Public Facility No
 Relocation Impact None
 Status Planning Stage

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	14,689	6,053	5,493	3,143	628	1,886	629	0	0	0	0
Land	1,010	1,010	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	10,559	1,346	0	9,213	5,794	3,419	0	0	0	0	0
Construction	129,663	690	0	128,973	71,235	40,928	16,810	0	0	0	0
Other	12,063	221	565	11,277	3,828	5,813	1,636	0	0	0	0
Total	167,984	9,320	6,058	152,606	81,485	52,046	19,075	0	0	0	0

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
FUNDING SCHEDULE (\$000s)											
Contributions	862	0	862	0	0	0	0	0	0	0	0
Current Revenue: General	1,300	650	650	0	0	0	0	0	0	0	0
Federal Aid	418	417	1	0	0	0	0	0	0	0	0
G.O. Bonds	71,906	0	2,871	69,035	38,099	27,987	17,949	-15,000	0	0	0
Land Sale	15,000	0	0	15,000	0	0	0	15,000	0	0	0
Long-Term Financing	70,145	0	1,574	68,571	43,386	24,059	1,126	0	0	0	0
PAYGO	7,503	7,503	0	0	0	0	0	0	0	0	0
State Aid	850	750	100	0	0	0	0	0	0	0	0
Total	167,984	9,320	6,058	152,606	81,485	52,046	19,075	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	8,866
Appropriation Request Est.	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		140,043
Expenditure / Encumbrances		132,775
Unencumbered Balance		7,268

Date First Appropriation	FY 04
First Cost Estimate	
Current Scope	FY 17 167,984
Last FY's Cost Estimate	143,847

Description

This project provides for the planning, studies, design, and construction of an office building, public parking garage, and a town square on the site of Parking Lot 13 and the Mid-County Regional Services Center (RSC) in Wheaton. The project components include 1) an approximately 303,000 s.f. office building to be owned by the Maryland-National Capital Park and Planning Commission (M-NCPPC); 2) an approximately 400 space underground public parking garage to be delivered to the Wheaton Parking Lot District (PLD); and 3) a town square located on Lot 13 and the current RSC site. The new headquarters for M-NCPPC will occupy approximately 132,000 s.f. of the building, including space for a child care facility. The remainder of the building space will be used by the County for office and retail under a long-term lease agreement. The County intends to use its space for nearly 15,000 s.f. of street front retail space and move offices of the RSC, Wheaton Urban District, Department of Environmental Protection, Department of Permitting Services, Department of Recreation, the Community Use of Public Facilities, and Environmental Health Regulatory Services in the Department of Health and Human Services to this building. The building will have a geothermal heating and cooling system which is likely to result in LEED Platinum certification for the office building. After the building is delivered to M-NCPPC, the Commission will transfer the ownership of the parcels at 8787 Georgia Ave. in Silver Spring and 11200 Amherst Ave. in Wheaton to the County. The County will then transfer 8787 Georgia Ave. to the developer who will develop a privately financed mixed-use project on the site. The delivery will include air rights above the land over the parking garage for the space comprising the office building and over that portion of the land located between the building and Reedy Drive. The town square will be maintained and programmed by the RSC for the community benefit. The obligations and relationship between County Government and M-NCPPC for the project are reflected in a Memorandum of Understanding dated May 31, 2013 and will be explicitly set forth in the Binding Agreements between the parties. This PDF also includes \$650,000 for consulting services to provide 1) a comprehensive parking study to identify potential redevelopment disruptions to the public parking supply and any related impacts of existing businesses and to identify potential mitigation options; 2) planning studies to review potential models and approaches to creating local jobs and job training opportunities prior to and during redevelopment, including relevant case examples in Montgomery County as well as innovative models from other local and national jurisdictions; and 3) a business assessment study to determine the number of businesses and the magnitude of the impact. The business assessment study is needed to support Council Bill 6-12 for the establishment of service provision and technical assistance to those small businesses adversely impacted by a County redevelopment project. As part of the agreement, this project also includes a privately owned mixed use residential building with independent financing and significant affordable housing components.

Location

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Wheaton Redevelopment Program (P150401)

Montgomery County Public Parking Lot 13, between Grandview Avenue and Triangle Lane; the RSC site on Reddie Drive, Wheaton; 8787 Georgia Avenue, Silver Spring; and Veterans Urban Park at 11200 Amherst Avenue, Wheaton, Maryland.

Estimated Schedule

The project design started in July 2014 and construction is expected to begin in the Summer of 2016 with delivery of the office building in the Fall of 2018. Demolition of the RSC site will begin as soon as the site can be vacated. The town square is planned to be completed in the Spring of 2019.

Cost Change

The cost increase is based on estimated costs of design and construction of a geothermal heating and cooling system for the office building and unexpected environmental remediation needs on the construction site. Two additional floors will also be added to the planned building to reduce expensive lease payments for County agencies, facilitate co-location for departments with program synergies, and enhance the presence of the County Government in Wheaton.

Justification

The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment through targeted, complementary public investment. The complementary public investment that Wheaton most needs is investment in creating a centrally located public space and a daytime population that together will contribute to an 18-hour economy in downtown Wheaton. It is expected that this public investment will leverage private investment, some of which is already occurring in Wheaton. Plans & Studies: Wheaton CBD and Vicinity Sector Plan (2011), State of Maryland designation as a Smart Growth and TOD site (2010), Urban Land Institute Technical Assistance Panel (2009). The International Downtown Association Advisory report (2008); Wheaton's Public Safety Audit (2004); The Wheaton Redevelopment Advisory Committee visioning process for the Wheaton core; National Mainstreet Center Planning Study (2000); WRAC activities since established in 2000.

Fiscal Note

Minor project funding includes: 1) \$418,000 FY09 federal grant, funded through the SAFETEA-LU transportation act; 2) A developer contribution of \$861,940 from M-NCPPC Public Use Space and Amenity Fund. November 5, 2010 Planning Board Resolution, 10-149, Site Plan 820110010; and 3) \$350,000 FY14 and FY15 State aid to support façade improvements and a pilot solar-powered trash compactor program. Non-tax supported long-term financing and PAYGO will be used to finance the costs for DEP, DPS and CUPF facility space. \$15M of the land sale proceeds from the M-NCPPC Headquarters in Silver Spring is programmed in FY20 to help finance the project costs. Total project cost includes \$8,930,000 for Streetscape and Façade work funded through FY12. The residential development on Lot 13 will not be funded in this PDF.

Disclosures

A pedestrian impact analysis has been completed for this project.

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Coordination

WMATA, Office of the County Attorney, M-NCPPC, Westfield Mall, Community Associations and Residents, private developers, Department of General Services, Department of Transportation, Department of Environmental Protection, Department of Permitting Services, Department of Housing and Community Affairs, Mid-County Regional Service Center, and State of Maryland. Special Projects Legislation [Bill No. 33-14] was adopted by Council June 17, 2014.

Wheaton Redevelopment Program (P150401)

Category: General Government
 Sub Category: Economic Development
 Administering Agency: Transportation (AAGE30)
 Planning Area: Kensington-Wheaton
 Date Last Modified: 11/17/14
 Required Adequate Public Facility: No
 Relocation Impact: None
 Status: Planning Stage

	Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	13,351	4,507	1,321	7,528	2,000	2,800	1,440	1,443	0	0	0
Land	1,010	1,010	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	10,559	1,346	0	9,213	3,750	2,044	3,419	0	0	0	0
Construction	113,996	688	0	113,308	0	7,210	61,172	31,856	9,912	0	0
Other	7,778	179	132	7,467	476	0	300	5,500	1,192	0	0
Total	148,847	7,728	1,453	134,808	6,225	11,954	63,871	42,232	11,104	0	0
FUNDING SCHEDULE (\$000s)											
Contributions	862	0	0	862	0	862	0	0	0	0	0
Current Revenue: General	1,300	850	325	325	325	0	0	0	0	0	0
Federal Aid	418	417	1	0	0	0	0	0	0	0	0
G.O. Bonds	26,876	0	1,077	11,799	3,019	5,920	31,443	22,590	5,855	0	0
Long-Term Financing	64,351	0	0	64,351	2,706	5,218	30,956	21,329	5,249	0	0
PAYGO	6,036	6,036	0	0	0	0	0	0	0	0	0
State Aid	850	825	50	175	175	0	0	0	0	0	0
Total	148,847	7,728	1,453	134,808	6,225	11,954	63,871	42,232	11,104	0	0

Appropriation Request	FY 16	500
Supplemental Appropriation Request	2,853	0
Transfer		0
Cumulative Appropriation		138,690
Expenditure / Encumbrances		7,815
Unencumbered Balance		128,875

Date First Appropriation	FY 04
First Cost Estimate	
Current Scope	FY 2016 148,847
Last FY's Cost Estimate	143,847

Description

This project provides for the planning, studies, design, and construction of an office building, public parking garage, and a town square on the site of Parking Lot 13 and the Mid-County Regional Services Center (RSC) in Wheaton. The project components include 1) an approximately 266,000 s.f. office building to be owned by the Maryland-National Capital Park and Planning Commission (M-NCPPC); 2) an approximately 400 space underground public parking garage to be delivered to the Wheaton Parking Lot District (PLD); and 3) a town square located on Lot 13 and the current RSC site. The new headquarters for M-NCPPC will occupy approximately 132,000 s.f. of the building, including space for a child care facility. The remainder of the building space will be used by the County for office and retail under a long-term lease agreement. The County intends to use its space for nearly 15,000 s.f. of street front retail space and move offices of the RSC, Wheaton Urban District, Department of Environmental Protection, and Department of Permitting Services to this building. After the building is delivered to M-NCPPC, the Commission will transfer the ownership of the parcels at 8787 Georgia Ave. in Silver Spring and 11200 Amherst Ave. in Wheaton to the County. The County will then transfer 8787 Georgia Ave. to the developer who will develop a privately financed mixed-use project on the site. The delivery will include air rights above the land over the parking garage for the space comprising the office building and over that portion of the land located between the building and Reddie Drive. The town square will be maintained and programmed by the RSC for the community benefit. The obligations and relationship between County Government and M-NCPPC for the project are reflected in a Memorandum of Understanding dated May 31, 2013 and will be explicitly set forth in the Binding Agreements between the parties.

This PDF also includes \$650,000 for consulting services to provide 1) a comprehensive parking study to identify potential redevelopment disruptions to the public parking supply and any related impacts of existing businesses and to identify potential mitigation options; 2) planning studies to review potential models and approaches to creating local jobs and job training opportunities prior to and during redevelopment, including relevant case examples in Montgomery County as well as innovative models from other local and national jurisdictions; and 3) a business assessment study to determine the number of businesses and the magnitude of the impact. The business assessment study is needed to support Council Bill 6-12 for the establishment of service provision and technical assistance to those small businesses adversely impacted by a County redevelopment project.

As part of the agreement, this project also includes a privately owned mixed use residential building with independent financing and significant affordable housing components.

The building will have geothermal heating and cooling system which is likely to result in LEED Platinum Certification for the office building.

Location

Montgomery County Public Parking Lot 13, between Grandview Avenue and Triangle Lane; the RSC site on Reddie Drive, Wheaton; 8787 Georgia Avenue, Silver Spring; and Veterans Urban Park at 11200 Amherst Avenue, Wheaton, Maryland.

Wheaton Redevelopment Program (P150401)

Estimated Schedule

The project design is expected to begin in July 2014 and construction is expected to begin in the summer of 2016 with delivery of the office building in mid-2018. Demolition of the RSC site will begin as soon as the site can be vacated. The town square is planned to be completed in the fall of 2018.

Cost Change

~~The cost increase is based on negotiated costs of constructing a 12-story office building that includes additional County government offices and changes to the concept design of the building and the town square based on community input.~~

Justification

The Wheaton Redevelopment Program was established in 2000 with the goal of encouraging private reinvestment through targeted, complementary public investment. The complementary public investment that Wheaton most needs is investment in creating a centrally located public space and a daytime population that together will contribute to an 18-hour economy in downtown Wheaton. It is expected that this public investment will leverage private investment, some of which is already occurring in Wheaton. Plans & Studies: Wheaton CBD and Vicinity Sector Plan (2011), State of Maryland designation as a Smart Growth and TOD site (2010), Urban Land Institute Technical Assistance Panel (2009), The International Downtown Association Advisory report (2008); Wheaton's Public Safety Audit (2004); The Wheaton Redevelopment Advisory Committee visioning process for the Wheaton core; National Mainstreet Center Planning Study (2000); WRAC activities since established in 2000.

Fiscal Note

Minor project funding includes: 1) \$418,000 FY09 federal grant, funded through the SAFETEA-LU transportation act; 2) A developer contribution of \$881,940 from M-NCPPC Public Use Space and Amenity Fund, November 5, 2010 Planning Board Resolution, 10-149, Site Plan 820110010; and 3) \$350,000 FY14 and FY15 State aid to support façade improvements and a pilot solar-powered trash compactor program.

Non-tax supported long-term financing will be used to finance the costs for DEP and DPS facility space. Total project cost includes \$8,930,000 for Streetscape and Façade work funded through FY12.

The residential development on Lot 13 will not be funded in this PDF.

Disclosures

A pedestrian impact analysis has been completed for this project.

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Coordination

WMATA, Office of the County Attorney, M-NCPPC, Westfield Mall, Community Associations and Residents, Private developers, Department of General Services, Department of Transportation, Department of Environmental Protection, Department of Permitting Services, Department of Housing and Community Affairs, Mid-County Regional Service Center, and State of Maryland. Special Projects Legislation [Bill No. 33-14] was adopted by Council June 17, 2014.

The cost increase is based on estimated costs of design and construction of a geothermal heating and cooling system for the office building.